IRAQ ENTERPRISE AI 2026

Enterprise AI in Iraq

The evidence, the gaps, the opportunities

From digital transformation to measurable economic value

Evidence-first

A strict line between an announcement, a pilot, a deployment and measurable impact

Iraq-specific

Grounded in Iraqi data, language, industry and workflows

Executive-ready

Written for senior decision-makers in government and in business

Research report · August 2026

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About this report

This report was prepared to give an evidence-based analytical picture of enterprise artificial intelligence in Iraq, with the focus on digital infrastructure, use cases, the gaps in execution and the opportunities ahead.

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Email	contact@aqiqai.com
Website	aqiqai.com
Telephone	+964 787 700 8078

About this report, and how to read it

This report was written for a single purpose: to let decision-makers who have very little time to read arrive at an accurate, honest and documented picture of enterprise artificial intelligence in Iraq as quickly as possible.

Unlike the many general reports that discuss “the AI opportunity” in the abstract, this one sets out to establish what is actually happening in Iraq, on what evidence, and at what level of certainty. It is neither a marketing brochure nor an academic study. It is a map for understanding the situation and for deciding on the basis of it.

How the report is built

The report follows a deliberate line of argument, and each chapter answers one specific question:

1. **Where does Iraq stand today?** — Chapter One answers in brief; Chapters Two and Three supply the digital and structural background.
2. **What is actually happening?** — Chapter Four covers the national direction and the ecosystem; Chapter Six presents the field evidence sector by sector.
3. **Where does the gap lie?** — Chapter Five sets out the analytical framework for the execution gap and the four-level evidence ladder.
4. **Where is the value?** — Chapters Seven and Eight place Iraq in its regional context and rank the opportunities.
5. **What should each actor do?** — Chapter Nine moves from opportunity to execution: the 90-day model, the stop criterion, and detailed actions by type of organisation.

A principle that governs the whole report

Wherever the evidence was not strong enough to support a claim, this report has preferred to state it cautiously, or to say plainly that we do not know, rather than paint an unrealistic picture of the market in confident language. That discipline is what separates a serious research report from a marketing brochure, and it is a precondition for the trust of any government or professional reader.

1

Chapter One

Executive summary

Iraq is not starting from zero, but it has not reached scale. The market is young, multi-speed and still taking shape — and what defines it today is not an absence of technology but an uneven capacity to execute.

In this chapter

1 Iraq is not starting from zero, but it has not reached scale 5

2 Iraq at a glance 5

3 What exists, what is missing, and what comes next 5

4 Six principal findings 6

5 The central thesis of this report 6

The question this chapter answers

Where does Iraq stand today, and what should an executive know in ten minutes?

Iraq is not starting from zero, but it has not reached scale

Two facts have to be held together.

On the international indices, Iraq still sits a considerable distance behind the region's leading countries. Yet the domestic market shows documented operational evidence of artificial intelligence in telecommunications, in selected bank branches, in oil operations and in public-health analytics — alongside sector products and projects working on local data, on the local language, and on building capability inside government.

This report does not describe Iraq's AI market as empty of artificial intelligence, nor as mature. It describes it as **young, multi-speed and still taking shape**.

Iraq at a glance

81%
Internet use
World Bank · 2024

48 million
Registrations in the national ID system
Ministry of Interior · April 2026

58.42 million
Retail payment transactions
IRPSI · 2024

28.9
Government AI readiness
out of 100 — 2025 edition

25 / 48
Electricity supply against demand
gigawatts · 2024

88%
Oil share of state revenue
World Bank · 2025

What exists, what is missing, and what comes next

What exists

Operational AI in telecommunications; selective, documented deployment in banking and oil; AI-based public-health analytics; a national policy in preparation; local players; projects on Iraqi language and data.

What is missing

Dependable electricity and computing capacity at scale; data governance and integration; deployment skills; deep specialist capital; and broad independent evidence of return on investment.

What comes next

Turning today's operational islands into deployments that can be repeated and measured across many organisations and many sectors.

Six principal findings

01 The digital base is not starting from zero

Internet use of roughly 81%, and rapid growth in digital channels, have laid the groundwork the country needs. What is not yet complete is the layer above it at enterprise grade: stable power, computing capacity and operational resilience.

02 AI has entered the formal machinery of the state

An AI team in the Prime Minister's Office, a national strategy in preparation and a sovereign language-model project together show the subject moving from a technology question to a question of national capability.

03 Telecoms holds the clearest evidence base — but no longer holds it alone

Among the public evidence reviewed, Zain and Asiacell present the most coherent body of evidence for operational deployment. At the same time, selective and documented use appears at Rafidain Bank and in East Baghdad oil operations.

04 A local build layer is taking shape

Optical character recognition, natural language processing, autonomous agents and legal, logistics and financial solutions can all be found among Iraqi firms. These efforts are still small, but they are real.

05 Language and context create a local advantage

Arabic, the Iraqi dialect, Kurdish, government documents and banking and oil data can build an advantage at the level of product and infrastructure that generic global products find hard to copy.

06 The binding constraint is not access to models

What decides the outcome is reliable electricity, computing capacity, data governance, integration, product ownership, cybersecurity and the measurement of impact — not access to a model.

The central thesis of this report

THE CENTRAL THESIS

Iraq's problem is not, in the first place, a gap in AI technology. Iraq's problem is a gap in AI execution.

The thesis rests on three layers that are visible in the evidence:

- Iraq's digital infrastructure — connectivity, digital identity, payments and government platforms — is genuinely in place, and in some respects bears comparison with the region.
- The use of AI is emerging, and there are real, documented examples in telecommunications, banking and energy.

- The execution layer, however — data governance, ownership of projects inside the organisation, measurement of return, procurement, skills and the ability to scale — has remained weak, and it is what prevents scattered pilots from turning into broad economic value.

Iraq has entered the deployment phase in a number of leading organisations; it has not yet reached broad adoption across its enterprise base.

The largest opportunity ahead is to build an economy of AI execution: connecting models to data, to processes, to performance measures and to ownership inside the organisation. That is the thinnest link in the chain today — and for precisely that reason it is the widest open space in the market.

2

Chapter Two

Iraq’s digital starting point

This chapter is not an account of the Iraqi economy. It answers a different question: why do the preconditions for enterprise artificial intelligence exist in Iraq at all?

In this chapter

1 2.1 The economy and the structure of ownership 9

2 2.2 Connectivity 9

3 2.3 Digital identity 10

4 2.4 Digital payments 10

5 2.5 Digital government 11

6 2.6 The digital foundation Iraq now has 12

The question this chapter answers

Which five digital foundations make the transformation possible in the first place?

2.1 The economy and the structure of ownership

- Oil accounts for roughly **53%** of Iraq's real gross domestic product.
- Oil accounts for about **88%** of state revenue.
- Oil accounts for close to **91%** of merchandise exports (World Bank, 2025 data).

Those figures have made diversification a strategic priority, and enterprise AI is one of the available routes to it rather than an end in itself.

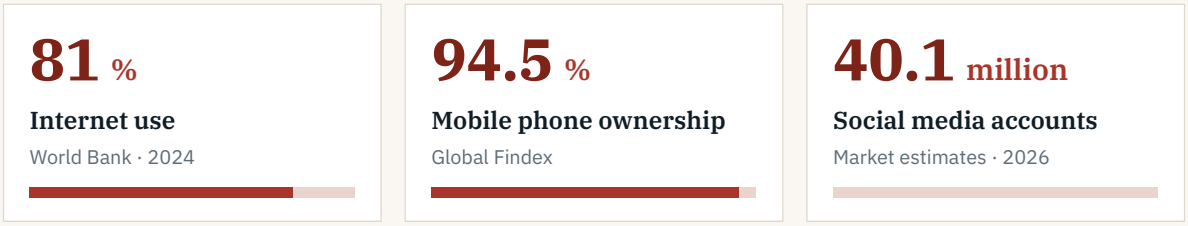
A second structural point matters just as much: state-owned enterprises still play a very large part in core sectors of the economy. That bears directly on how new technology arrives — in many areas, adopting AI is an institutional and policy decision, not simply a decision taken in an open market.

2.2 Connectivity

Figure 1

Three baseline indicators of digital connectivity in Iraq

The access layer on which any enterprise application of AI has to stand.



The third indicator counts accounts, not people, and is not equivalent to official digital identity. The coloured bar shows the share of 100% for the first two indicators only.

On any comparative view, Iraq's present level of connectivity no longer places it among the countries standing at the beginning of digitisation. Quality of service, though — speed, stability and coverage in less developed areas — remains uneven, and that unevenness maps directly onto where AI opportunities are geographically available.

On 5G, activity is not confined to a training laboratory: operators show technical readiness, and there is an institutional path towards the technology. The evidence available at this report's data cut-off does not, however, establish full commercial coverage.

Market context for 5G

The absence of full commercial 5G coverage at the time of writing does not mean that technical readiness or investment in that path is absent. Iraqi operators have built substantial infrastructure and network capability, and the move to 5G remains tied to regulatory, commercial and spectrum factors, not to technology alone.

A note on method: this report avoids any firm claim about the timing of a commercial 5G launch that is not supported by a clear source.

2.3 Digital identity

As of April 2026, Iraq's Ministry of Interior reported **48,039,296** citizens registered in the national ID system. That identity layer is a precondition for much of electronic government and digital payment, and it is one of the features that separates Iraq from the simplified picture of a laggard digital market.

Two important qualifications on that number

First, it is the registration figure announced for the system. It should not be compared directly with a count of unique digital users, with cards printed, or with population estimates; the counting method is not fully explained in the public source reviewed.

Second, the number of social media accounts — estimated at some 40.1 million for Iraq — is not equivalent to official digital identity. The two figures come from different sources and different concepts, and one person may hold several accounts.

2.4 Digital payments

The growth of the IRPSI retail payment system from 18.65 million transactions in 2023 to 58.42 million in 2024 shows digital payments in Iraq becoming infrastructure for economic data.

In May 2025 the National Financial Inclusion Strategy 2025–2029 was launched. It targets, by 2030, ownership of a bank or digital account of 50%, and use of digital payments of 85%.

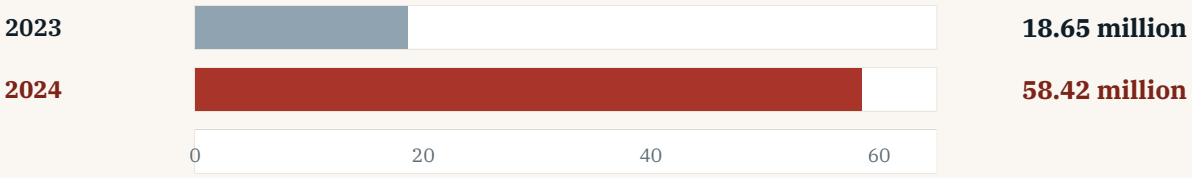
Alongside the banking infrastructure, Qi — one of the largest digital financial services platforms in the country — reported 2026 figures of approximately 22 million users, 25 million cards issued and 160,000 acceptance points. That scale makes the platform one of the most promising environments in Iraq for applying AI to financial services.

A Visa survey of a sample of 250 small and medium-sized businesses offers a commercial signal — not a national statistic — of accelerating adoption of digital payments.

Figure 2

The step change in national retail-payment volumes

Transactions processed by IRPSI, in millions.



×3.1 Structured transaction volume more than tripled in a single year, which turns digital payments from a service channel into infrastructure for economic data.

Source: Central Bank of Iraq · 2023 and 2024 data.

Why this matters for AI

The wider the base of accounts and structured payments, the larger the body of data available for fraud detection, anti-money-laundering, credit scoring, customer segmentation and demand forecasting. The value of that data depends on its quality, on oversight and on risk management, however, and not on its volume alone.

2.5 Digital government

In the United Nations E-Government Development Index for 2024, Iraq scored 0.4572 and ranked 148th in the world, with an online services sub-index of 0.1875. Read alongside internet penetration of 81%, those numbers carry a clear message: Iraq's problem is not access alone. Converting infrastructure into a complete digital service remains a fundamental bottleneck.

Against that, there are new signs of execution: 859 government bodies have been registered in the digital identifier and e-services architecture. The Ur platform — which at one stage of its development offered more than 299 electronic services, a historical figure that does not reflect the current position — has become one of the foundations of electronic government.

The clearest illustration of what digitising a real government workflow is worth is the ASYCUDA customs system. UNCTAD reported customs revenue at Baghdad International Airport rising by more than 215% between January and May 2024 against the same period a year earlier. To that can be added the opening of the National Centre for Statistical Data in 2025, and progress during 2026 on the open government data portal.

The path that works, and the path that does not

Artificial intelligence cannot be bolted onto a process that is manual, fragmented or without unified data. The professional path runs:

Digitise the process → **Structured data** → **Integration** → **Secure access** → **Artificial intelligence** → **Intelligent service**

Iraq is building those preparatory layers step by step. The next challenge is interoperability, secure access and governance.

2.6 The digital foundation Iraq now has

Put together, the pattern is clear: connectivity, digital identity, payments, data and government platforms have jointly formed the foundation that enterprise AI requires. That combination does not by itself guarantee enterprise AI, but it supplies its precondition.

High internet penetration is a necessary condition, not a sufficient one. The next chapter shows where the harder layer — electricity, computing capacity and governance — remains out of balance.

3

Chapter Three

The enabling layer: power, compute and governance

This chapter deals with the layer most general reports on “the AI opportunity” pass over, although it is the layer that decides in practice whether a success can be repeated. In the Iraqi case it is the most significant structural bottleneck of all.

In this chapter

1 3.1 Electricity: a bottleneck that is not only about chips 14

2 3.2 Data centres and computing capacity 14

3 3.3 Cloud and data governance 15

4 3.4 Security, regulation and the governance gap 15

The question this chapter answers

What determines whether a single success can be repeated across an organisation and a country?

3.1 Electricity: a bottleneck that is not only about chips

Iraq's electricity gap does not mean that large organisations lack operating capacity. Many companies have built independent power arrangements to keep the business running, including standby generators and support systems.

The central challenge, then, is not that organisations cannot run AI applications today. It is **the ability to scale** them, at the level of the organisation and of the country, and particularly where compute-intensive infrastructure, large data centres and continuous workloads demand higher efficiency and greater stability.

3.2 Data centres and computing capacity

The picture of domestic capacity in Iraq depends on how the counting is done, and the point needs stating precisely. The PeeringDB registry used by the Internet Society lists three facilities in Iraq. Asiacell, by contrast, has announced that it recently built and brought into service 22 data centres.

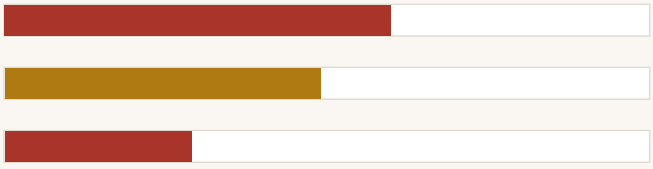
> **Why the two numbers cannot simply be placed side by side**
>
> They are not directly comparable, because they differ in definition and in coverage. The registry figure should be read as the visible minimum rather than as a national statistic; the corporate announcement is an operational disclosure by the operator itself, not independently verified data. This report presents neither of them as a definitive measure of national capacity.

Structural indicator	What is observed	What it means in practice
Data centres	3 facilities in the PeeringDB registry; 22 announced by Asiacell	Actual capacity lies between the two; no independent national count is available
Internet exchange point	One point with 32 members	Domestic traffic is beginning to form, but remains concentrated and fragile
Local content	About 60% of the thousand most-visited sites have a local server or cache	Lower latency and less dependence on international routes
Internet resilience	49 out of 100	Exposure to outages and network incidents
Infrastructure score	29 out of 100 within the internet resilience index	A considerable distance from enterprise grade

Figure 3

Structural indicators for the enabling layer

The layer that decides, in practice, whether a success today can be repeated tomorrow.



3 — 22

Data centres

Three facilities appear in the PeeringDB registry against 22 announced by Asiacell. Real capacity lies somewhere between the two figures.

1 (32 members)

Internet exchange point

Domestic traffic is beginning to form, but it remains concentrated and fragile.

Zero

Public cloud regions inside Iraq

Neither AWS, Google Cloud nor Azure operates a region in the country.

These indicators are drawn from public registries and company announcements that differ in definition and coverage. They are not an independent national statistic and should be read as the visible minimum.

Alongside that picture, movement is visible too: structural projects such as WorldLink, and the Iraqi Communications and Media Commission's rules on data centres, both point to progress in this layer.

3.3 Cloud and data governance

None of the public cloud region lists reviewed for AWS, Google Cloud or Azure shows a public cloud region inside Iraq, although regions are available in the Gulf and the wider Middle East.

That raises the importance of local hosting, data residency, regional connectivity and cloud and data-centre policy for sensitive government and banking workloads. Put differently, data governance in Iraq is not an abstract legal debate. It is an **architectural constraint** that bears directly on the choice of technology.

3.4 Security, regulation and the governance gap

On the International Telecommunication Union's measure, Iraq falls in the "evolving" tier. Sector regulation is developing — including rules touching data centres, cloud and digital services — but no dedicated AI law in Iraq was identified at the time of writing.

That vacuum cuts both ways. For an organisation that wants to deploy AI, the absence of a clear framework is at once an **opportunity** (more latitude in designing a solution) and a **risk** (legal uncertainty, particularly for an international investor). As Chapters Five and Seven show, it is one of the more important components of the execution gap.

The chapter in short

Iraq has built the digital base, but it has not built the enabling layer. Reliable electricity, computing capacity, sovereign hosting and a data governance framework — those four elements decide whether today's successful deployments will be repeatable tomorrow, or whether they will stay within the limits of the operational island.

4

Chapter Four

The state of artificial intelligence in Iraq

The question in this chapter is a plain one: what has actually happened to artificial intelligence on top of the digital infrastructure the last two chapters described?

In this chapter

1 4.1 The national direction on AI 18

2 4.2 Iraq is working at several levels of maturity at once 19

3 4.3 Who builds AI in Iraq, and who uses it? 19

4 4.4 A new indicator: building the ecosystem 20

5 What we know and what we do not 20

The question this chapter answers

Who builds, who uses, and who decides?

4.1 The national direction on AI

Artificial intelligence in Iraq has moved past the level of rhetoric and entered the formal machinery of the state. The clearest evidence of that shift is as follows:

- Iraq's national AI strategy has not yet been completed. The official site of the Iraqi Artificial Intelligence Group states explicitly that work on the strategy is still under way and that several ministries are taking part. The accurate description of its status is "in preparation", not "complete".
- The Iraqi Artificial Intelligence Group has set out AI and big data as two of the strategy's core pillars, and both the public and the private sectors are involved in drafting it.
- Iraq's sovereign language-model project was formally presented in April 2026 by the Ministry of Planning, and its architecture of local and cloud servers was discussed at the same meeting.
- Details such as the size of the model, the training data, the budget, the timetable and the launch date have not yet been announced.
- Beyond that, the National Centre for Artificial Intelligence and the College of Artificial Intelligence at the University of Baghdad are both observable signals of institution-building at the level of capability and skills.

The institutional picture: who decides?

Drafting Iraq's national AI strategy is not the business of a single body. The evidence points to at least five participating institutions, and that breadth is both an opportunity and a difficulty:

Body	Role in artificial intelligence
Iraqi Artificial Intelligence Group	The pivotal body drafting the national strategy; hosts the official government AI portal
Prime Minister's Office and the Office of the AI Adviser	Political direction and coordination between ministries
Ministry of Planning	Convened the formal meetings on the maturity of the strategy and on the sovereign language-model project (April 2026)
Ministry of Higher Education and Scientific Research	Building university capacity and specialist AI programmes
Ministry of Communications	Connectivity infrastructure and the regulation attached to it

This institutional spread does not necessarily mean a lack of coherence; it shows that AI is no longer the brief of one ministry. From the point of view of an investor or a technology company, though, the practical message is clear: finding the right point of entry into government requires a precise understanding of how the roles are divided — the likely buyer is not the Ministry of Communications alone.

4.2 Iraq is working at several levels of maturity at once

Level of activity	The position in Iraq
Use and experimentation	General tool use, training, hackathons and proofs of concept are the most widespread activities. No precise public data on the rate of enterprise use is available.
Integration and deployment	AI has been connected to real systems, networks, documents and analytics. Telecommunications holds the clearest and broadest evidence base; alongside it, selective deployment is documented at Rafidain Bank, in East Baghdad oil operations and in public-health analytics.
Local building and sovereignty	Optical character recognition, natural language processing, autonomous agents, legal, logistics and financial solutions, and the debate on local hosting and the Kurdish language. The activity is still small, but it is real.

> **A methodological caveat**
>
> This qualitative assessment rests on public evidence and does not measure the rate of adoption statistically. The defensible conclusion is this: the market runs at several speeds, and the operational islands have spread selectively from telecommunications into banking, oil and public health.

4.3 Who builds AI in Iraq, and who uses it?

Layer of the ecosystem	Observable examples	Role
AI builders	Ovanya, Revge, Exponential Technologies, MoonWhale, Meer AI and GENQ	Models, data, products and local integration
Sector products	Boxy, Parezar, AGIES and Homele AI	Solving a defined problem in logistics, law, finance and property
Adopting organisations	Zain Iraq, Asiacell, Newroz Telecom, the Qi platform and the digital platforms	Putting AI into the core of operations or into an existing product
National and government capability	The AI team in the Prime Minister's Office, the National Centre for Artificial Intelligence, the ministries, the Manara project and the College of Artificial Intelligence at the University of Baghdad	Policy, demand, data, skills and national infrastructure
International partners	Huawei in telecommunications projects, EBS in energy projects	Technology transfer and delivery of structural projects

This list is not a census

The table is not a count of AI companies in Iraq. Some firms leave a faint public trace, and some projects are private. The report has concentrated on the actors for whom observable public evidence exists.

A preliminary geographic pattern

Within the sample of public evidence reviewed, government, banking, fintech, enterprise technology, monitoring, automation and logistics appear more strongly in Baghdad, while local AI builders, Kurdish language processing, optical character recognition, computer vision and the start-up ecosystem stand out in Erbil and the Kurdistan Region. This is a preliminary pattern, not a geographic census of the market.

4.4 A new indicator: building the ecosystem

Manara — Asiacell and NewsSocial

In January 2026, Asiacell and NewsSocial announced a project under government supervision to create a national AI ecosystem across Iraqi universities. As announced, the project aims to connect up to 100 universities and research centres in stages, with data hosted nationally on Asiacell's own infrastructure.

The significance of the project reaches beyond any single start-up, because it shows that AI activity in Iraq is no longer confined to chat assistants and telecommunications services: ecosystem building has begun at the university and research level as well. As with any announced project, though, the real test of success will be the number of bodies actually connected and the workloads actually hosted, not the stated target.

What we know and what we do not

We know	We do not know
That the national strategy is in preparation and that several bodies are involved	The date on which the national strategy will be completed and published
That the sovereign language-model project has been formally presented	The model's size, budget, timetable and launch date
That Asiacell and Zain have deployed AI in an operational setting	How far those projects have affected either company's profitability
That the ecosystem spans government, telecoms, fintech, academia and start-ups	The precise size of the AI start-up ecosystem

5

Chapter Five

The analytical framework: from digitisation to enterprise AI

This is the conceptual chapter of the report. It sets out the framework used in later chapters to analyse sectors and rank opportunities. If you read only one chapter, this is the one that makes the rest legible.

In this chapter

1 5.1 Digitisation is not AI transformation 22

2 5.2 Evidence discipline: four levels, kept apart throughout 22

3 5.3 The four value layers of AI 22

4 5.4 The maturity curve: experiment, pilot, production, scale, transformation 23

5 5.5 The execution gap: the central thesis 23

The question this chapter answers

How do we tell digitisation, a pilot, a deployment and economic value apart?

5.1 Digitisation is not AI transformation

Many of Iraq's digital achievements — the digital identifier, electronic payment, the government portals — are the digitisation of existing processes rather than, necessarily, the use of artificial intelligence. Keeping the two apart is essential to any realistic assessment of maturity: digitisation produces the data that AI needs, but that data does not turn into economic value without further investment in analysis, automation and decision support.

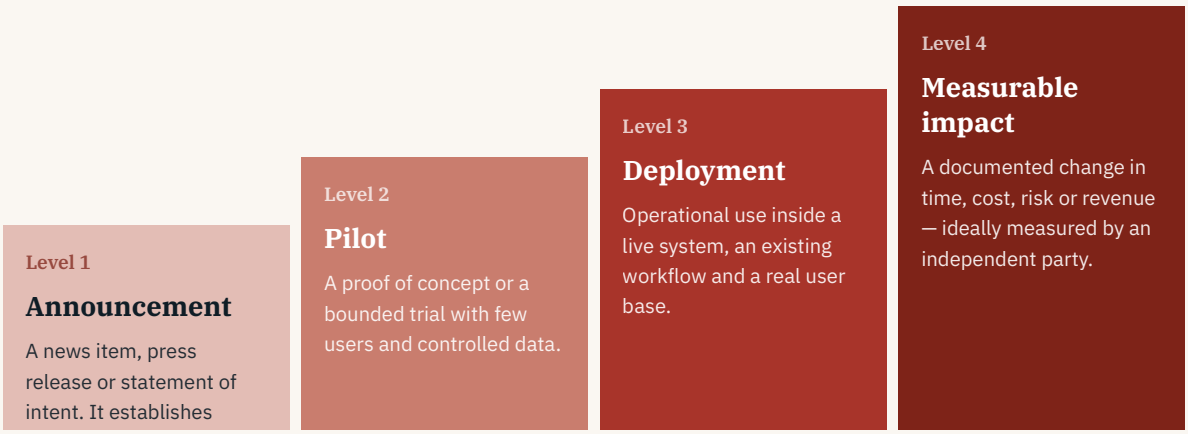
5.2 Evidence discipline: four levels, kept apart throughout

The most important methodological decision in this report is the separation of four levels. Many market reports blur them, and so present a press release as though it were equivalent to an operational deployment.

Figure 4

The four-level evidence ladder

How every claim in this report has been classified.



Announcement ≠ pilot ≠ deployment ≠ impact

Every claim in this report sits at one of these four levels, and no claim is promoted to a higher level without evidence of the kind that level requires.

> **The evidence principle**
>
> Announcement ≠ pilot ≠ deployment ≠ measurable impact. Evidence of deployment is not evidence of commercial impact; claims about return on investment need separate data, independent wherever possible.

5.3 The four value layers of AI

Artificial intelligence can create value inside an organisation at four distinct layers. Iraq today sits mainly in the first two:

Value layer	What it means	An Iraqi example
Productivity	Making existing work faster and cheaper	Asiacell's intelligent customer assistant, answering around the clock
Decision intelligence	Improving the quality of decisions through analysis and forecasting	Zain's network intelligence and demand forecasting, for capacity and maintenance
Automation	Reducing or removing human intervention in repetitive work	Energy and network optimisation without human intervention — still at the pilot stage
Revenue generation	A new AI-based product, service or revenue model	No documented public evidence of a new revenue model was found in Iraq

Entry into the third and fourth layers — automation at scale and the generation of new revenue — is still at an early stage. That in itself is one of the sharper measures of market maturity.

5.4 The maturity curve: experiment, pilot, production, scale, transformation

Iraq's position along that range is uneven. Most of the organisations visible in the public sources used for this research sit at the experiment and pilot stages. A few examples, in telecommunications above all, have moved into production and are heading towards scale.

That unevenness is itself one of the report's significant findings: Iraq's AI market is growing out of balance between sectors rather than advancing along a single maturity curve.

5.5 The execution gap: the central thesis

On the evidence in this report, Iraq's principal bottleneck lies neither at the start of the value chain (policy and basic infrastructure) nor at its end, but in the middle links.

Those middle links consist of six specific bottlenecks:

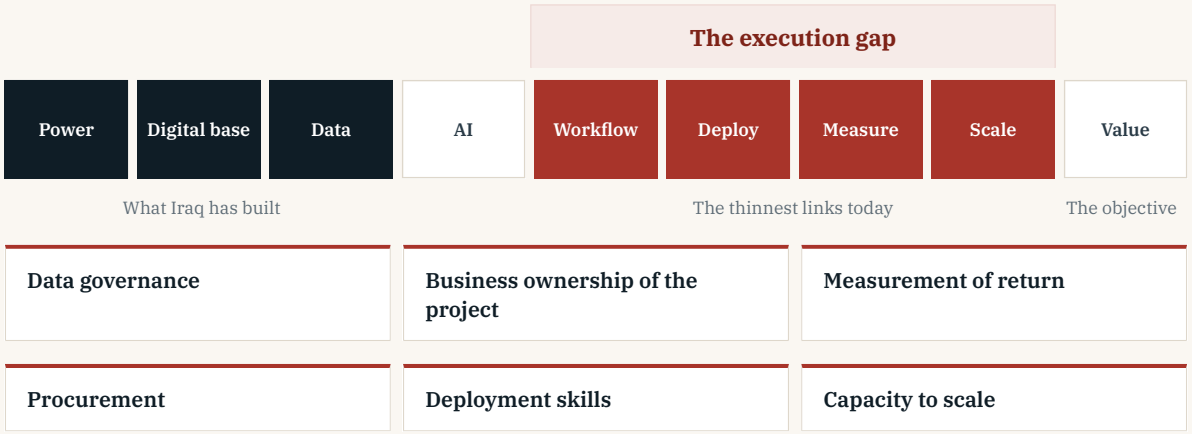
Data governance	No clear framework for the quality, exchange and protection of data
Business ownership of the project	No clarity about which unit is answerable for the project's success
Measurement of return	No clear indicators for assessing the real impact of projects
Procurement	Technology purchasing designed for certainty, not for the iterative, uncertain nature of AI work
Deployment skills	Too few specialists — and not only in models, but in data engineering, security and product management

Capacity to scale	The difficulty of carrying a successful pilot into a live system across the whole organisation

Figure 5

How digital assets become value — and where the execution gap sits

Iraq's principal bottleneck lies neither at the start of the chain nor at its end, but in the middle links.



The six bottlenecks below are the specific components of the execution gap, set out in section 5.5.

The intellectual signature of this report

Iraq is not severely behind in high-level policy, nor in the existence of basic infrastructure. The real bottleneck sits where pilot projects ought to become settled, measurable institutional practice. That idea — **the gap in the execution layer** — is the report's principal analytical framework, and later chapters return to it throughout.

6

Chapter Six

Where AI is actually running

This is the sector chapter. Rather than give every sector equal space — which would make a sector with thin evidence look equal to one with strong evidence — the sectors are sorted into three tiers, and each section is sized in proportion to the quantity and quality of the public evidence available.

In this chapter

1 Cases that show parts of the market past the demo stage 26

2 Tier one — evidence-rich sectors 26

3 Tier two — emerging sectors 28

4 Tier three — sectors with thin evidence 29

5 What the three tiers add up to 29

6 The sector map: maturity today against the value ceiling 30

The question this chapter answers

Which sectors have genuinely moved past the demo?

A methodological note on the cases selected

The cases in this chapter are examples documented in public sources available up to the data cut-off. They are not an exhaustive account of every project or organisation using artificial intelligence in Iraq. They were chosen as indicators of patterns of adoption and use, not as a complete inventory of the Iraqi market.

Cases that show parts of the market past the demo stage

Field	Observed use	Documented examples
Telecommunications	Intelligent assistants, network optimisation and data analysis	Zain Iraq, Asiacell
Financial services	Transaction monitoring and digital services	Rafidain Bank
Energy	Operational analysis of oil fields, well monitoring, and intelligent diagnostics and maintenance	Use cases observed in Iraqi oil operations (East Baghdad field, CONX)
Language and local AI	Conversational assistants in Kurdish; search and reasoning over local knowledge	Examples of local language AI applied in Iraqi settings (Omniops)
Computer vision and digital identity	Optical recognition of documents and cards, and extraction of data from images	Applied solutions observed for document processing and digital identity in Iraq (Ovanya, DIT)

- Telecommunications still holds the broadest evidence base, but documented selective deployment has spread to banking and oil operations as well.
- Local language, in-house deployment and operational intelligence appear in live cases, not only in demonstrations.
- None of these cases amounts to broad enterprise adoption. They are operational islands.

Tier one — evidence-rich sectors

Telecommunications

Telecommunications currently offers the strongest and most connected evidence of operational AI deployment in Iraq, and it may become the country's first genuine operating environment for artificial intelligence.

Dimension	Description
Evidence	**Asiacell:** an intelligent customer assistant offering round-the-clock support through the app, the website and messaging platforms, in Arabic, Kurdish and English; alongside an operational machine-learning stack and technical cooperation with Huawei in network operations. **Zain Iraq:** a formal launch of network intelligence (demand forecasting, proactive service continuity, optimisation and zero-touch network operations) together with market and customer intelligence.
Use cases	Customer assistant, network intelligence, demand forecasting, customer intelligence and optimisation of network energy consumption
The gap	Public evidence of the financial depth of these projects — investment and return — is limited, and their extension to smaller operators has not yet been documented.
The near-term opportunity	Extending intelligent assistants to further channels, folding network intelligence into capital planning, and using telecoms infrastructure to host AI services for other sectors
Confidence in the evidence	**High** — based on repeated official announcements from the country's two largest operators

Why telecommunications is ahead

Operators hold enormous volumes of real-time data, engineering capability, a very large customer base and clear operational metrics. That combination shortens the distance between pilot and production. The lesson carries to other sectors: the more structured the data and the clearer the metric, the shorter the road.

Banking and payments

Evidence in banking is no longer merely theoretical. The Ministry of Finance has documented the deployment of AI-based systems across six main branches of Rafidain Bank for transaction monitoring and anti-money-laundering. This is selective deployment rather than a shared banking capability, but it is official, first-order evidence.

On the payments side, the scale of the Qi platform — around 22 million users and 160,000 acceptance points — offers a strong potential environment. What is documented, though, is the inclusion of AI in the platform's development strategy for fraud, risk, customer experience and personalisation, rather than a completed operational deployment today.

A third force is pushing this field along as well: **compliance pressure**. In June 2026 the Financial Action Task Force placed Iraq on its list of jurisdictions under increased monitoring, and the associated action plan emphasises the quality of suspicious transaction reporting, risk-based supervision, and greater effectiveness in countering money laundering and terrorist financing. That pressure turns investment in risk and compliance intelligence from something advisable into a regulatory obligation.

Why banking has the best combination

In a bank, artificial intelligence can affect risk, cost and revenue at the same time. Structured data, real compliance pressure and a clear business case together make this the strongest candidate for turning selective deployment into a shared capability.

Oil, gas and energy

Companies working the East Baghdad field, with their Chinese partner EBS, have used a locally deployed implementation of the DeepSeek-R1 model for round-the-clock monitoring and diagnostics of oil wells in the field environment. The case has been reported by Iraqi sources and by independent media.

Separately, Midland Oil Company has built an integrated in-house platform for monitoring, control, maintenance and document management that uses AI to support engineers and technicians. Peer-reviewed research that applies machine learning to Iraqi field data also points to a layer of local applied research.

An important limit on the claim

These are among the earliest publicly documented applications of AI to well monitoring in Iraq — not necessarily the first application of AI anywhere in the energy sector. A claim of that kind would require a full review of every energy project, and no such review was available in public sources. The impact figures, moreover, come from the companies themselves and have not been independently verified.

Tier two — emerging sectors

Government

As Chapter Four showed, government AI has moved from the idea stage to the institution-building stage. Institution-building, however, does not make contracting easy or quick. This market is less crowded than telecommunications, but its procurement is far harder and far slower.

The growing digital foundations — the customs system, the National Centre for Statistical Data and the open data portal — are the natural place to start: take an existing digital process that can be measured, and add AI to it under human supervision.

Logistics

At the product level, local companies have shown that AI can act as a coordination layer for a fragmented market. The same logic extends to fleets, route planning, warehousing and supply chains.

At the infrastructure level, the Development Road project — a rail corridor of roughly 1,200 kilometres, estimated at some $17 billion, connecting the Port of Faw to Türkiye — offers a potential layer of opportunity. It is worth separating an economic infrastructure opportunity from the AI market as it stands today: projections such as more than 100,000 jobs created, or annual non-oil revenue, are announced targets for the project, not results achieved.

Education and universities

The College of Artificial Intelligence at the University of Baghdad, the National Centre for Artificial Intelligence and the Manara project are all new institutional signals of skills-building. The central challenge is to convert that capacity into deployment skills, and not into training on tools alone.

Retail and e-commerce

Iraq's e-commerce market is growing, but public estimates of its exact size differ considerably. Given that methodological spread, this report declines to offer a single figure as the definitive size of the market. Direct evidence of AI in use — recommendation engines or personalisation, for instance — was limited in the public sources reviewed.

Tier three — sectors with thin evidence

Health

The picture in Iraqi healthcare divides into two parts that should not be confused. At the public-health level, the World Health Organization has documented the use of AI-based analytics, and the health information system operates in 1,877 centres — so a real operational data foundation exists.

At the clinical level, the public sources reviewed for this research contained no documented, independent example of clinical AI deployed in Iraq. That finding is stated plainly rather than papered over with hypothetical start-ups or regional case studies mistakenly attributed to Iraq.

The correct conclusion is this: healthcare matters enormously for its long-term strategic potential, and its data foundation is forming; but broad enterprise and clinical AI within it remains at an early stage and requires stricter controls on privacy, validation, safety and regulation.

Industry and agriculture

Direct public evidence of AI deployed in Iraqi industry is limited. In agriculture and water, tools such as remote sensing systems provide an operational data foundation, but the existence of that foundation is not in itself evidence of broad enterprise AI. Predictive maintenance, quality control by computer vision and sensor-data analysis are, for the time being, analytical opportunities rather than documented field evidence.

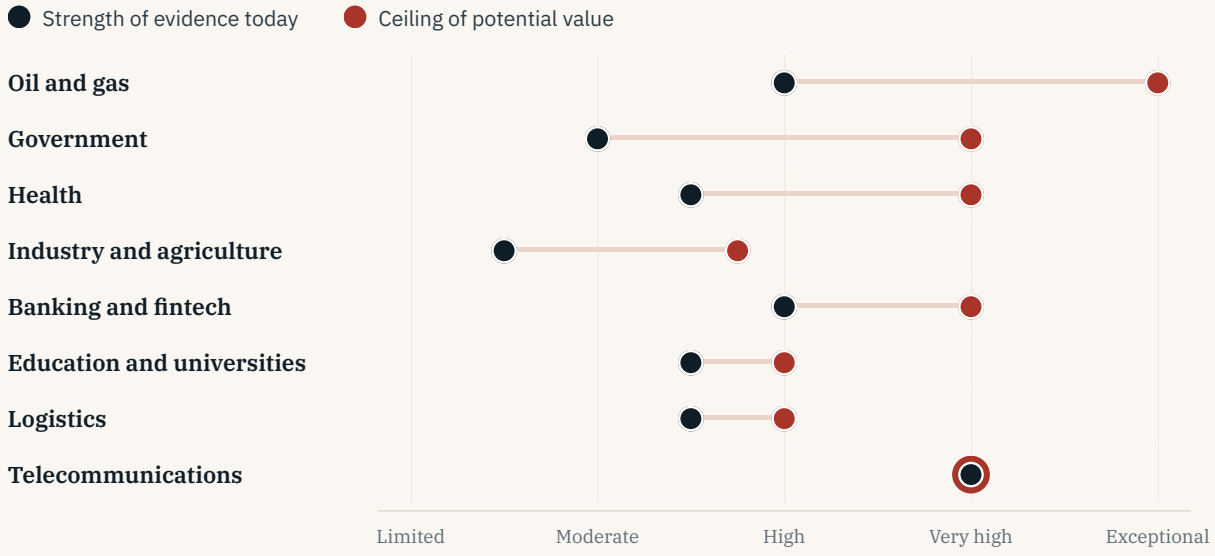
What the three tiers add up to

Taken together, the three tiers show a clear pattern. Sectors that deal directly with large volumes of customer-facing digital data — telecommunications and banking — are the most advanced. Behind them come sectors built on physical operations that nonetheless have strong early evidence, such as energy. In the middle sit sectors that depend on coordination between several institutions or on complex contracting: government, logistics and industry. Last come the sectors that still lack a structured data foundation.

Figure 6

Evidence today against the ceiling of potential value, by sector

The longer the connecting line, the wider the distance between what is proven today and what is within reach.



Positions are ordinal and qualitative, drawn from the sector map in this chapter. They are not numeric scores or a statistical measurement. Sectors are ordered by the width of the gap.

The closer a sector is to maturity in its data and its processes, the stronger the evidence of AI deployment within it.
The gap is not a technology gap. It is an execution gap.

The sector map: maturity today against the value ceiling

Sector	Evidence today	Maturity today	Value ceiling
Telecommunications	Very strong	Early production	**Very high**
Banking and fintech	Strong	Selective, emerging operations	**Very high**
Oil and gas	Strong	Selective, strategic operations	**Exceptional**
Government	Moderate	Institution-building and pilots	**Very high**
Logistics	Strong at start-up level	Commercial product	**High**
Education and universities	Institutionally strong	Capacity building	**High**

Sector	Evidence today	Maturity today	Value ceiling
Health	Moderate to strong (public health)	Operational analytics; early enterprise AI	**Very high**
Industry and agriculture	Limited to moderate	Early	**Moderate to high**

What these ratings mean, and what they do not

The ratings in this table are a structured analytical judgement based on the maturity of the public evidence, not official market statistics. Opportunity and readiness are also not the same thing: the largest opportunities sometimes lie precisely in the sectors that are least ready today.

7

Chapter Seven

Iraq’s readiness in regional perspective

Measuring a country’s readiness for artificial intelligence is always a mixture of quantitative indicators and qualitative judgement. This chapter sets out where Iraq stands in its region, analyses where the gap comes from, and closes with an internal scorecard of the country’s capabilities.

In this chapter

1 7.1 Iraq against the region 33

2 7.2 Where the gap comes from: connectivity is not the explanation 33

3 7.3 What the region has to teach 34

4 7.4 A capability scorecard for Iraq 35

5 What this comparison means for each actor 36

The question this chapter answers

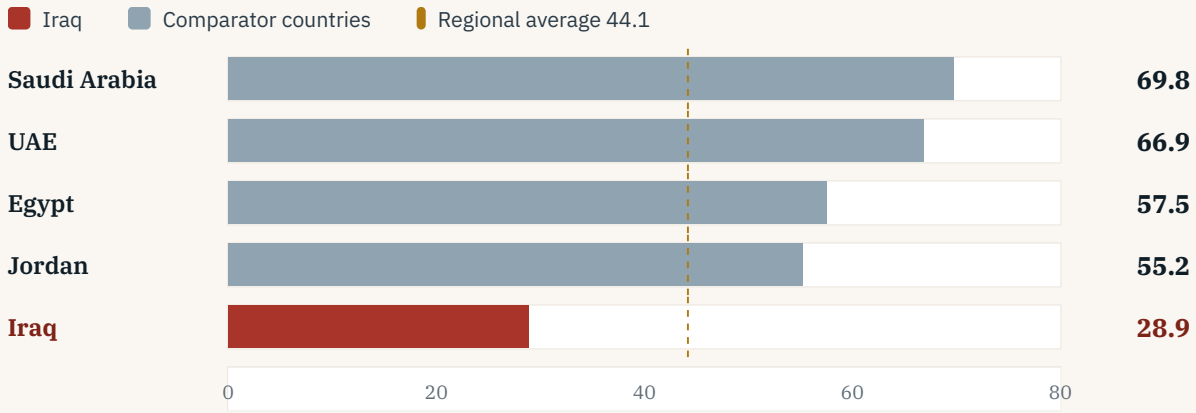
Where does Iraq stand against its neighbours, and why exactly?

7.1 Iraq against the region

Figure 7

Government AI Readiness Index — Iraq against four comparators

Score out of 100 · 2025 edition. The dashed gold line marks the regional average.



Source: Oxford Insights · 2025 edition. The methodology changed in this edition, so it cannot be read against earlier editions as a time series. The valid comparison is between countries within the same edition.

In the 2025 edition of this index, Saudi Arabia leads the region with 69.8 points, followed by the UAE on 66.9, Egypt on 57.5 and Jordan on 55.2, while Iraq scores 28.9 against a regional average of 44.1. The gap is real and should not be played down.

> **A methodological note — and an important one**
>
> The publisher changed the index methodology for the 2025 edition and broadened the definition of the state's role as enabler, buyer and regulator. The 2025 score therefore cannot be compared directly with earlier editions as a trend over time. The valid comparison is between countries within the same edition, which is what the figure above shows.

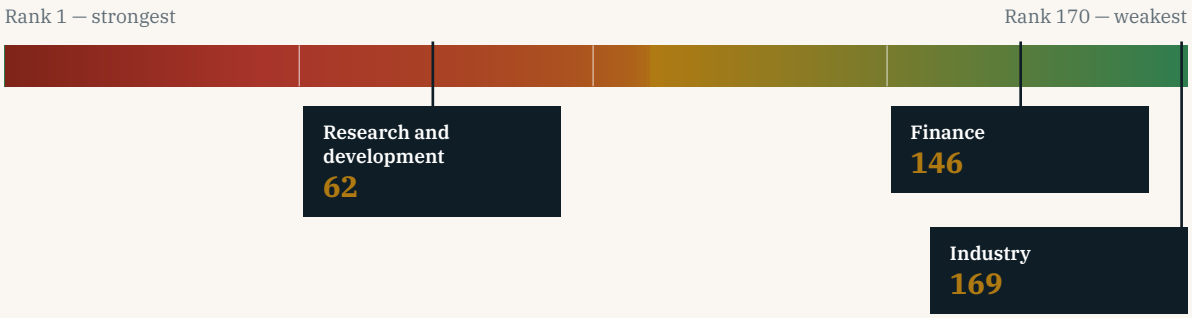
7.2 Where the gap comes from: connectivity is not the explanation

If Iraq's problem were confined to internet access, its readiness score would be far higher. A second, independent data set makes the point: on the Frontier Technology Readiness Index Iraq scores 0.36 and ranks 116th of 170 economies — but the breakdown of the sub-indices reveals a more important pattern.

Figure 8

Iraq's rank across the frontier technology sub-indices

Evidence of an absorption gap: relatively strong in research, sharply behind in finance and industry.



116 / 170 Iraq's overall rank on the Frontier Technology Readiness Index, with a score of 0.36. Knowledge is not the bottleneck; converting it into industrial and financial capacity is.

Source: UNCTAD · 2025 — out of 170 economies.

The absorption gap

Iraq ranks 62nd on research and development, while it sits 146th on the finance dimension and 169th on the industrial one. That pattern matches the report's central thesis exactly: Iraq's bottleneck is not knowledge. It is the conversion of knowledge into applicable industrial and financial capacity — alongside electricity, computing capacity and governance.

7.3 What the region has to teach

The regional comparison is not an invitation to copy. It is a diagnostic tool for locating the bottleneck. The comparison set covers two leading Gulf states and two non-Gulf economies, and is not a comprehensive ranking of the region.

Country	Dominant pattern	The lesson that transfers to Iraq
Saudi Arabia	Strategic and structural capital	Converting economic resources into computing capacity, capital, government demand and an integrated ecosystem. Dependence on oil is not an obstacle to transformation; the obstacle is the absence of an execution system.
UAE	Capacity to execute	The advantage does not lie in strategy or capital alone, but in the institutional machinery of delivery: contracting, budgeting, deployment and measurement.

Country	Dominant pattern	The lesson that transfers to Iraq
Jordan	Institutional discipline	Readiness can advance without Gulf-scale capital, through governance, policy-making capacity, skills and coordination.
Egypt	Skills and scale	A large market only becomes an advantage when the supply of talent and the capacity of the technology services sector grow with it.

7.4 A capability scorecard for Iraq

The table below gives a composite, qualitative picture of what Iraq has and what it lacks:

Capability	Status	In brief
Connectivity	**Relatively strong**	Widespread internet use, a domestic exchange point, and regional connectivity routes under development
Digital identity and payments	**Growing**	A broad digital identifier base and a jump in transaction volume, with a national financial inclusion strategy
Compute and AI infrastructure	**Limited, constrained by power**	Domestic infrastructure exists, but electricity reliability and the absence of a domestic public cloud region cap the ability to scale
Government direction	**Taking shape**	An AI team in the Prime Minister's Office, a national strategy in preparation, a national centre and an open data portal
Enterprise adoption	**Multi-speed**	Telecommunications in front, with documented selective deployment in banking, oil and public-health analytics
Local builders	**Emerging**	Local builders and sector products can be observed
Skills	**Growing**	University education and training are expanding, but deployment skills remain scarce
Data governance, security and integration	**A bottleneck, improving**	Sector regulation is developing, but interoperability, privacy and integration are still gaps
AI capital	**Taking shape**	Funds and technology financing programmes are visible, but the depth of specialist capital is unproven

Capability	Status	In brief
Local context and language	A strong opportunity	Arabic, the Iraqi dialect, Kurdish and government, banking and oil data create a context layer that is hard to substitute

The chapter in short

Iraq's problem is not that it is starting from zero. The assets exist; they have not yet been organised into a coherent system. Iraq is neither at the beginning of the digital readiness path nor among the region's leaders. It occupies a middle position, in which progress in infrastructure and data has not been matched by institutional and executive capacity.

What this comparison means for each actor

For the government official	Investment in governance, regulation and institutional capacity will, in all likelihood, return more than investment in technical infrastructure alone, because the principal gap sits in the execution layer and not in the access layer.
For the bank and the telecoms operator	A national institutional gap does not necessarily prevent progress at the level of a single organisation. The telecommunications examples show that individual organisations can make real progress even without a completed national strategy.
For the international investor	The scoring gap between Iraq and the regional leaders indicates considerable room for growth, but the timing of any return should be estimated from the real pace of institutional reform, not from the maturity of the technology alone.

8

Chapter Eight

A map of Iraq’s AI opportunities

This chapter turns the opportunities identified in earlier chapters into a decision map that executives and investors can actually use.

In this chapter

1 8.1 The opportunity matrix 38

2 8.2 Three priority baskets 39

3 8.3 The strategic white spaces 40

4 8.4 What should not be over-prioritised 41

5 8.5 Risks and cautions 41

The question this chapter answers

In what order should we invest, and why now?

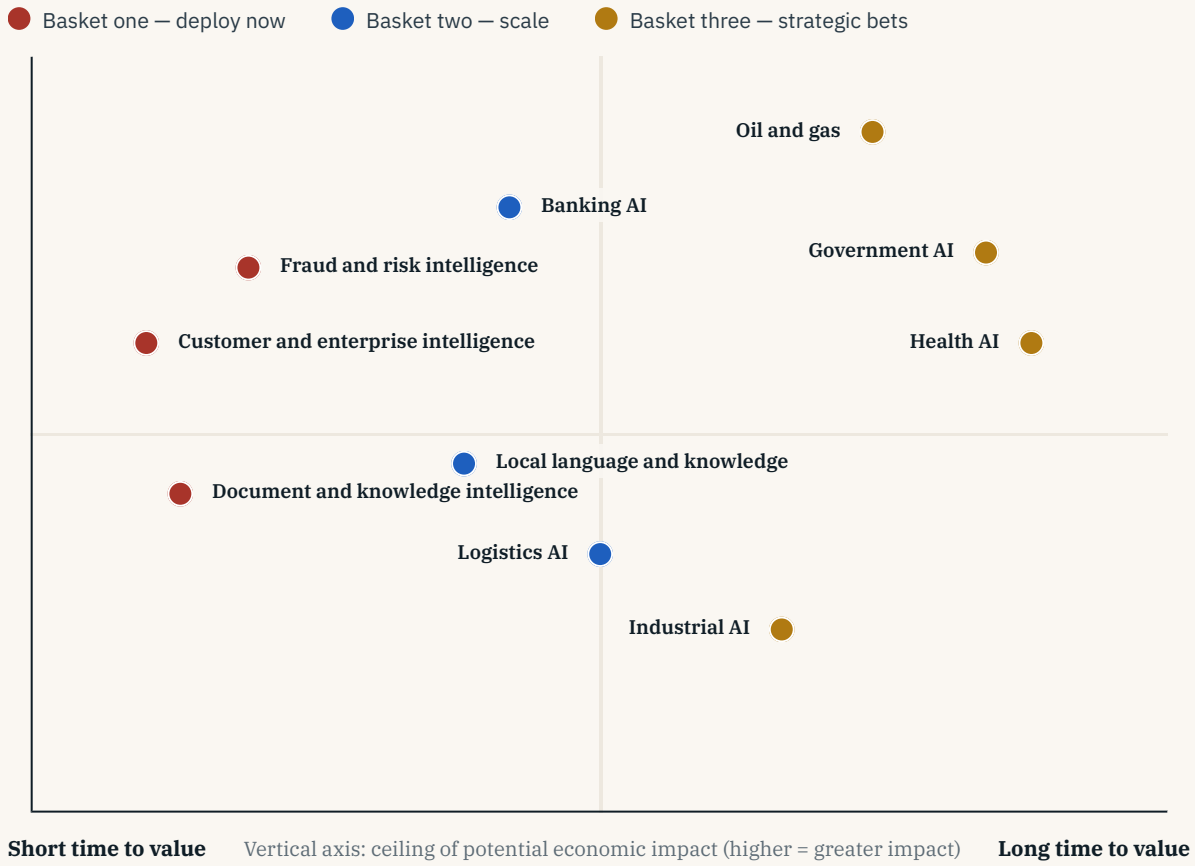
8.1 The opportunity matrix

Opportunities have been assessed on two qualitative axes: the scale of potential economic impact, and the time required to realise value. The ranking is qualitative and follows from structured analysis; it is not an official economic measurement.

Figure 9

Opportunity map: ceiling of economic impact against time to value

Positions are qualitative and follow from structured analysis, not from an official economic measurement.



Short time to value Vertical axis: ceiling of potential economic impact (higher = greater impact) **Long time to value**

Numeric scores have been avoided deliberately. The inputs to this assessment are qualitative and based on judgement, and decimal figures would imply a precision the evidence does not support.

Why we have not used decimal scores

Many market reports give opportunities precise numeric scores that suggest rigour and certainty, when in fact the inputs to the assessment are largely qualitative and based on judgement. To avoid that false impression, this report uses relative labels instead.

8.2 Three priority baskets

The classification below rests on the maturity of the evidence, readiness to deploy, the measurability of value and the complexity of delivery.

Basket one — deploy now

Opportunities with a shorter time to value, available data and relatively low risk:

Opportunity	Why now?	Where to start
Document and knowledge intelligence	Iraq holds a large volume of documents, correspondence, forms, contracts, legislation and archives in Arabic and Kurdish	Optical recognition, extraction, classification, retrieval and human review
Customer and enterprise intelligence	Payments, banking, telecommunications and the digital platforms all generate behavioural and transactional data	Customer segmentation, churn and demand forecasting, and next-best-action
Fraud, money-laundering and risk intelligence	Real compliance pressure and documented cases already running in banking and payments	AI detects and recommends; a human takes the final decision in sensitive cases

The logic these three share: artificial intelligence proves its value fastest in workflows that are simple but highly repetitive, rich in data, measurable and relatively low in risk.

Basket two — the next step: scale

Field	The path to scale
Banking AI	**Fraud** · **Money laundering** · **Identity verification** · **Credit scoring** · **Collections** · **Customer intelligence** Real value only appears when these paths rest on shared data and shared governance, rather than running as isolated projects.
Logistics AI	From coordinating a fragmented market to fleets, route planning, warehousing and supply chains
Local language and knowledge	A global model, plus Iraqi data, plus secure retrieval, plus local workflow. Generic global products find that combination hard to reproduce.

> **A strategic conclusion**
>
> One of the largest local opportunities in Iraq may lie not in the model layer but in the **context layer**. The local advantage is not necessarily in building a bigger model; it is in combining a global model with Iraqi data, specialist language and local workflow.

Basket three — strategic bets

Very high value, but requiring a programme rather than a demonstration:

Opportunity	What serious delivery requires
Scaling AI in oil and gas	Selective operational cases exist today; the challenge is moving from a single asset to a repeatable capability — with integration of operational technology, sensor data, security, sector expertise, governance and contracting
Scaling government AI	Growing digital foundations exist; scaling depends on data ownership, interoperability, privacy and institutional delivery
Scaling health AI	Public-health analytics exist; moving to broader clinical and enterprise AI demands stricter controls on privacy, validation, safety and regulation
Industrial AI	Predictive maintenance, quality control by computer vision and sensor data are attractive fields; integration is the decisive factor

8.3 The strategic white spaces

Unlike the fields defined by sector in Chapter Six, the white spaces below are application areas that cut across sectors, serve several industries at once, and are currently underserved by the market relative to their real potential.

Opportunity area	In brief	Sectors involved
Data governance and infrastructure	Frameworks, tools and advisory services for data governance and AI risk management	Government, banking, telecoms
Enterprise process intelligence	Automating internal workflows in banks, operators and government bodies	Banking, telecoms, government
Arabic and the Iraqi dialect	Local language models and tools for the Iraqi dialect and for Kurdish	Government, telecoms, retail
Industrial AI	Predictive maintenance, equipment monitoring and process optimisation	Energy, industry, logistics

Opportunity area	In brief	Sectors involved
Government AI	Intelligent citizen services, government assistants and administrative automation	Government
Intelligent cybersecurity	Threat detection, automated response and protection of critical infrastructure	Banking, telecoms, government, energy
Sovereign AI	Compute infrastructure, local language models and domestic hosting	Government, and telecoms as a host for the infrastructure

These seven areas are not sectors; they are technical layers that can be applied within different sectors. Separating the sector opportunity from the technical white space lets technology companies design a product that serves several sectors at once.

8.4 What should not be over-prioritised

Five common traps

1. A general chat assistant unconnected to real data and a real workflow.
2. "AI transformation" without a defined business problem and a clear metric.
3. Building a national foundation model as every organisation's first goal.
4. Training as a substitute for deployment.
5. Buying AI without monitoring, integration and governance.

8.5 Risks and cautions

None of the opportunities above is free of risk. Three recur across the evidence in this report:

Execution risk	The biggest obstacle is not the technology but the executive capacity of organisations. Investing in technology without a matching investment in process and people ends in a failed project.
Regulatory risk	The absence of a clear national framework for data and AI governance creates legal uncertainty for investors.
Data-scarcity risk	Many basic market figures — the size of the start-up ecosystem, total investment — are still not reliably available, and decisions should be taken in full awareness of that limit.

The risk principle for sensitive decisions

In sensitive decisions, artificial intelligence recommends and a human decides. The professional path starts with a human in the loop, not with full autonomy.

9

Chapter Nine

From opportunity to execution

Up to this point the report has shown where Iraq stands, where AI is actually running, and what the principal opportunities are. This closing chapter answers the executive question: what exactly needs to be done to move from opportunity to execution?

In this chapter

1 9.1 Start from the problem, not from the model 44

2 9.2 Without a baseline, return cannot be proven 44

3 9.3 The 90-day model: diagnose, build, prove 45

4 9.4 A pilot is not production 45

5 9.5 What each actor should do 46

6 9.6 Five national priorities 47

7 9.7 A proposed timeline 48

8 In closing: from AI activity to an AI economy 48

The question this chapter answers

What is the first step on Monday morning?

9.1 Start from the problem, not from the model

A weak start	A professional start
“We want to have generative AI.”	“We want to cut the review time for customer identity verification by 50% without raising the error rate.”

A workflow is a good candidate for a pilot when it meets these five conditions:

1. It is highly repetitive.
2. It has a material effect on cost, delay, risk or revenue.
3. Its current baseline can be measured.
4. The necessary data is available, or can be prepared at reasonable cost.
5. It has a named owner on the business side.

9.2 Without a baseline, return cannot be proven

Before any pilot begins, the current state has to be turned into numbers. The table below illustrates the logic and nothing more:

Baseline measure	Illustrative value before AI
Transactions per month	100,000
Average handling time	18 minutes
Cost per transaction	$1.40
Error rate	4.2%
Escalation rate	17%

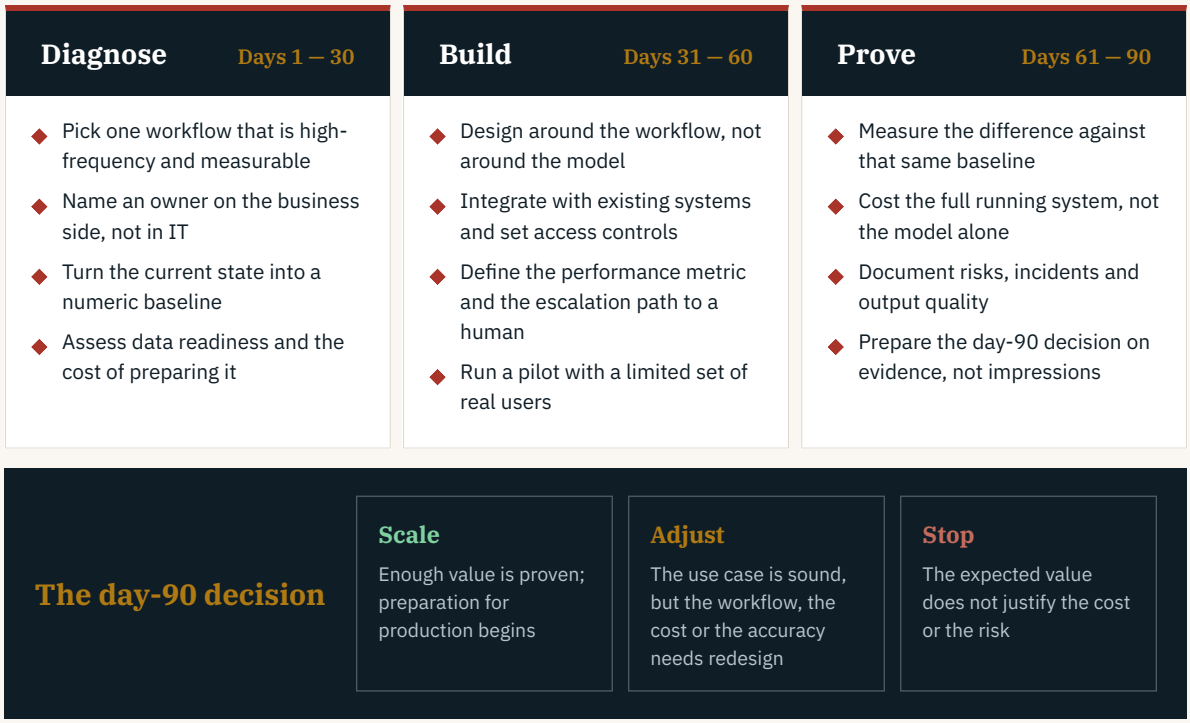
> **This table is not Iraqi market data**
>
> The figures above are given only to show the logic of a baseline and of measuring return. They are not attributed to any Iraqi bank or organisation. The purpose of a pilot is a measurable comparison against the process already in place.

9.3 The 90-day model: diagnose, build, prove

Figure 10

The 90-day model: from opportunity to a business case

Three phases of equal length, ending in an explicit decision rather than an open-ended extension.



Stopping a pilot quickly when it has no business case is not a failure. It is capital discipline.

> **Stopping a project is not a failure**
>
> A professional portfolio of AI projects has to be able to stop, quickly, any pilot that lacks a business case. That ability is capital discipline — and it is one of the clearest differences between a mature organisation and one preoccupied with AI activity.

9.4 A pilot is not production

It is in the distance between pilot and production that most projects fail.

Stage	Environment	What has to be proven
Prototype	Clean data, few users, a controlled environment	Technical feasibility
Pilot	A limited set of real users, a defined workflow	Applicability and the performance metric

Stage	Environment	What has to be proven
Production	Real data, security, permissions, monitoring and incident management	Reliability and value
Scale	Multiple teams, units and sites; shared governance and platform	Repeatability and project economics

Crossing those boundaries has specific requirements that the pilot stage often overlooks:

- Control of identity and permissions.
- A clear definition of data governance and security.
- Continuous model evaluation and monitoring.
- Incident management and an escalation path to a human.
- Cost tracking, infrastructure capacity, auditability and regulatory compliance.

> **From project to operating model**
>
> A mature organisation does not build twenty separate pilots. It builds a shared data foundation, an AI platform, integration, governance, evaluation, and product and portfolio management.

9.5 What each actor should do

Each group is given three priority actions only — not a long list.

Government

GOVERNMENT

Government is both the policy-maker and one of the largest potential buyers of technology. That dual role is what sets the priorities.

1. Draft and publish a data governance framework as a precondition for any government AI project.
2. Run contracting pilots with a lighter, more flexible purchasing cycle than conventional IT procurement.
3. Design a measurable delivery framework for tracking the progress of government projects, in parallel with drafting the national strategy.

Enterprises

ENTERPRISES

For banks, operators and energy companies, the challenge is no longer proving that AI has value. It is embedding it in the daily fabric of the organisation.

1. Assign clear business ownership to every project, rather than referring it to the IT department alone.
2. Define the measures of return before the project starts, not after it has been delivered.
3. Give priority to workflow-centred deployments rather than projects detached from day-to-day operations.

The technology ecosystem

TECH ECOSYSTEM

Technology vendors and international partners can close the gap between experimentation and operational deployment with products that fit the local context.

1. Invest in AI for the local language, and particularly for the Iraqi dialect and Kurdish.
2. Develop lightweight deployment options that work within the constraints of infrastructure and power.
3. Strengthen the ability to integrate with the systems Iraqi organisations already run, rather than offering isolated solutions.

Capital and academia

CAPITAL & ACADEMIA

Investors and academic institutions have a complementary long-term role: financing the infrastructure, and supplying the skills to deliver.

1. Direct capital towards basic infrastructure — data centres, computing capacity and connectivity — as a condition of long-term growth.
2. Support enterprise AI projects selectively, concentrating on the priority baskets set out in Chapter Eight.
3. Take part in building applied AI capability through university programmes and ecosystem initiatives.

> **The message to all four groups is the same**
>
> Iraq no longer needs to prove that artificial intelligence exists. The question that matters is how to turn the limited deployments already running into broad adoption and economic value across the enterprise base.

9.6 Five national priorities

Priority	Where delivery has to focus
From strategy to delivery	Policy has to be tied to deployment, pilots, contracting, budgeting and measurement.
From data to AI infrastructure	Turn data quality, interoperability, governance, cybersecurity, reliable electricity and secure compute into a shared layer, and connect it to cloud and data-centre regulation.
From training to deployment skills	Product management, data and AI engineering, security, sector expertise and governance; turn the new educational institutions into a source of deployment skills, not of training on tools alone.
Sector focus	Give priority to telecommunications, banking and fintech, oil and gas, government, and Iraqi language and knowledge.

Priority	Where delivery has to focus
An economy of AI execution	Develop a market for workflow redesign, integration, deployment, evaluation and governance, building on the operational cases that already exist.

Iraq does not have to be the best in every field of artificial intelligence. It has to build a repeatable capability in a few economically important ones.

9.7 A proposed timeline

Period	Focus	An example of what that means
0 to 6 months	**Foundations**	Assign business ownership of projects, measure the baseline, and begin government contracting pilots
6 to 18 months	**Proving value**	Move successful pilots into production, define the measures of return, and publish the national strategy
18 to 36 months	**Scale**	Extend AI to the level of the sector rather than a single leading organisation, and complete the national data governance framework

> **An implementation scenario, not a forecast**
>
> This timeline is neither a definitive nor an official programme, and it is not a market forecast. It is a framework for sequencing the development of capability. The final test is whether artificial intelligence changes time, cost, risk, revenue, quality or decision-making in a real workflow, measurably.

In closing: from AI activity to an AI economy

Iraq's question is no longer access to artificial intelligence. It is the conversion of digital assets into value. The chain is clear: power and connectivity, digital infrastructure, data, artificial intelligence, workflow, deployment, measurement, scale, value. Iraq has built the beginning of that chain. It has not yet built the end of it.

The future of AI in Iraq will most likely not be built by one enormous project, but by hundreds of workflows across banking, government, telecommunications, oil, logistics, law, academia and industry, each improving one real outcome.

App.

Appendix

Evidence, method and limits

This appendix holds the material on which the report's research credibility rests. Readers who want to examine the sources and the limits of the data more closely are referred here.

In this chapter

1 A · A sample of the master evidence register 50

2 B · Method and the evidence ladder 51

3 C · Definitions 52

4 D · Data limitations 52

5 E · What we do not yet know 52

6 F · Principal sources 53

7 G · Version control and corrections policy 54

8 An invitation to write to us and correct the record 54

The question this chapter answers

On what basis does every claim in this report stand?

A · A sample of the master evidence register

The most significant numerical and qualitative claims were reviewed before publication against source, date and degree of certainty. The table below is a sample of that scrutiny, not the full inventory of the research base.

Claim	Source and date	Status after review
81% internet use	World Bank · 2024	Confirmed
94.5% mobile phone ownership	Global Findex	Confirmed
48,039,296 registrations in the national ID system	Iraqi Ministry of Interior · April 2026	Confirmed, with a caveat: the figure covers registration in the system, not unique users or cards printed
“3 data centres” as Iraq’s total	Internet Society / PeeringDB and Asiacell · 2025	Qualified: three facilities appear in one registry; Asiacell has announced 22, so three is not a national statistic
AI in six main branches of Rafidain Bank	Ministry of Finance · 2025	Confirmed as selective deployment, on the basis of an official source
DeepSeek-R1 deployed for well monitoring	The operator and independent Iraqi sources · 2025 and 2026	Deployment confirmed; impact figures come from the companies and are not independently verified; the phrase “first in the whole energy sector” was amended
Asiacell’s intelligent customer assistant	Official company announcement · November 2024	Confirmed
Network and customer intelligence at Zain	Official announcements · May and June 2026	Confirmed
Qi platform scale — 22 million users, 160,000 acceptance points	Corporate and media sources · 2026	Confirmed as to scale; the use of AI is at strategy level rather than confirmed operational deployment
Completion of the national AI strategy	Official site of the Iraqi Artificial Intelligence Group · 2026	Corrected: in preparation and not yet in force, not complete
The sovereign language-model project	Ministry of Planning · April 2026	The substance is confirmed; the technical details have not been announced
A score of 28.9 on government AI readiness	Oxford Insights · 2025 edition	Confirmed, with the caveat that the methodology changed and no comparison over time is possible

Claim	Source and date	Status after review
UNCTAD: a score of 0.36 and rank 116	UNCTAD · 2025	Confirmed; used to explain the absorption gap, not to measure AI adoption directly
299 electronic services on the Ur platform	Older official sources · 2023 and before	Corrected: a historical figure that does not reflect the current position
1,294 start-ups and $96.4 million invested	A commercial database — inconsistent versions	**Rejected:** inconsistent with more recent data in the same database
A 40% private-sector share of the economy	Source unspecified	**Rejected:** no clear methodological definition available

In this sample alone, two claims were rejected and several were corrected or qualified. Not every attractive number made it into the final text.

B · Method and the evidence ladder

This report was prepared from public, official and independent published sources. A good deal of its raw data is publicly available; its professional value lies in turning scattered data into a decision map, separating the levels of evidence, excluding high-risk claims, and tying the data to the questions executives actually face.

Level	Type of source	Example	Degree of confidence
1	**Official and corporate primary sources**	Ministry documents; official company announcements	Official: very high. Corporate: high for existence and scope; not independent evidence of impact or return
2	**International institutions**	World Bank, IMF, United Nations, Global Findex	High, subject to the definition of the indicator and the source's methodology
3	**Reliable independent media and peer-reviewed research**	A news report citing a primary source; a technical study on Iraqi data	Conditional on the type of claim; technical research establishes feasibility and method, not market acceptance or return
4	**Private commercial estimates**	Market reports whose methodology is only partly published	With caution; not equivalent to official statistics

The principle of caution: market estimates — the size of the IT or e-commerce market, for example — have not been treated as equivalent to the official reports of international institutions.

C · Definitions

Term	Short definition
Enterprise AI	The use of AI techniques — machine learning, natural language processing, intelligent automation and others — in a process, product or decision inside a government or private organisation, at a scale beyond passing experiments.
The execution gap	The distance between having infrastructure or a successful pilot and turning it into sustained economic value at the level of the organisation.
Sovereign AI	Infrastructure and models under national control, hosting and governance inside the country.
Strategic white space	A field with strong potential demand that the market has not yet served adequately.
AI maturity	A range running from first experiments to full institutional transformation.

D · Data limitations

- No comprehensive official or public data was available on total AI investment, on the total number of deployments running in production, or on the number of specialists working in Iraq.
- The precise size of the start-up ecosystem differs between commercial databases, and the report has therefore declined to give a single figure.
- Market-sizing estimates are market-research firms' own, and should not be treated as equivalent to official reports.
- An absence of public evidence about an activity is not proof that it does not exist; activity may be under way without appearing in the public sources reviewed.

E · What we do not yet know

In the interest of research honesty, the report explicitly lists the important questions that remain unanswered, rather than claiming comprehensive knowledge of the market:

Open question	Why it matters
How many AI companies in Iraq actually earn sustained revenue?	Essential for valuing the market and for any investment decision
How many deployments are running in production rather than in pilot?	Needed to separate noise from real adoption
What is the real extent of production use in banking beyond the documented cases?	Needed to measure the depth of adoption, not merely to establish that a case exists

Open question	Why it matters
How many operational cases have independent, auditable measurement of impact?	Essential for separating deployment from commercial impact
What share of total Iraqi enterprise IT spending goes to AI?	Needed to understand maturity and the size of the vendor market
How many AI specialists actually work in the country?	Essential for estimating real capacity to deliver
How many government AI projects have reached production?	Needed to measure the distance between policy and delivery

The transparency principle

Stating what we do not know is part of the method. Where reliable data was missing, it has not been replaced by an estimate or a guess, and the line between what we know and what we do not yet know has been kept. That candour is precisely what distinguishes this report from a marketing brochure.

F · Principal sources

- World Bank and Global Findex — connectivity, the digital economy, phone and account ownership and dependence on oil
- Internet Society Pulse and Asiacell — the internet exchange point, resilience and the data-centre registry, with the methodological caveat
- United Nations, Oxford Insights and UNCTAD — digital government, AI readiness, frontier technology readiness and the customs system
- U.S. EIA and IEA — the electricity capacity gap, demand and grid reliability
- International Telecommunication Union and the Iraqi Communications and Media Commission — cybersecurity and the regulation of data centres, cloud and digital services
- Central Bank of Iraq, the Arab Monetary Fund and anti-money-laundering bodies — payments, financial inclusion and regulatory pressure
- Ministry of Finance and Rafidain Bank — the banking system and the AI case in transaction monitoring
- Ministry of Planning, Ministry of Higher Education and the National Centre for Artificial Intelligence — statistical data, open data, the College of Artificial Intelligence and skills-building
- Iraqi Ministry of Interior — the national ID system and digital identity
- World Health Organization and the Food and Agriculture Organization — digital health, AI-based analytics and the water and agriculture data layer
- Zain Iraq, Asiacell, Newroz and their technology partners — telecommunications evidence, machine-learning infrastructure, local hosting and the Kurdish language
- Operating oil companies and international partners — digital and AI projects in the oil fields
- Ovanya, Qi, Boxy and other market participants — product and payment projects and capital signals, distinguishing between types of source
- AWS, Google Cloud, Azure and regional connectivity partners — the location of public cloud regions and connectivity routes

- Selected peer-reviewed academic work and independent Iraqi sources — machine-learning research on Iraqi fields and local language sources

G · Version control and corrections policy

Current edition	Edition 1.0 — final
Date of publication	August 2026
Data cut-off	25 August 2026 — no event after that date has been included in the body of the report
Scope of corrections	Covers figures, sources, dates and the classification of evidence where stronger evidence emerges
Channel for corrections	The publisher's official channel; editorial judgement and the final classification of evidence remain with the publisher
Versioning principle	Every substantive change is issued under a new edition number with a short note of what changed, so that the printed version remains citable

An invitation to write to us and correct the record

This report is not the end of research into enterprise artificial intelligence in Iraq. If you represent a government body, a bank, a telecommunications company, a technology firm, an investor or an AI team in Iraq, you are welcome to submit additional evidence or documented corrections through the publisher's official channel.

The next step in the research is to complete the master evidence register in fuller detail, to publish thematic sector reports, and to develop a continuing evidence register for enterprise AI in Iraq.

> **An important note**
>
> The findings of this report are offered for information and market analysis. They should not be taken as investment, legal or financial advice.

About the AQIQ AI Center

The AQIQ AI Center is a specialist centre for developing knowledge and applications in artificial intelligence. Its focus is on carrying AI from technical concept to practical solutions with economic and institutional value.

The centre works in

- Research and analysis of AI ecosystems and regional markets.
- Developing AI solutions and applications in the public and private sectors.

- Capacity building and specialist training.
- Studying the opportunities for AI-led transformation across sectors.

How this report was prepared

The report follows a method built on:

- Collecting and analysing the public evidence available.
- Separating announcement, pilot, deployment and measurable impact.
- Concentrating on the Iraqi context and on local sectors.
- Avoiding claims unsupported by observable evidence.

We would like to hear from you

We welcome contact from government institutions, companies and technology organisations interested in developing applications of artificial intelligence in Iraq and the wider region.

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AQIQ AI CENTER

Enterprise AI in Iraq

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Website www.aqiqai.com

Email contact@aqiqai.com

Phone +964 787 700 8078

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